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TESTIMONY IN SUPPORT OF

L.D. 70

AN ACT TO ELIMINATE THE CAP ON RETIREMENT BENEFITS FOR STATE EMPLOYEES AND TEACHERS TO WHICH A COST-OF-LIVING ADJUSTMENT IS MADE

Senator Tipping, Representative Roeder and members of the Committee on Labor and Housing. I am Steven Bailey, executive director of Maine School Management Association and the Maine School Boards Association, representing the legislative committees of the Maine School Boards Association and Maine School Superintendents Association in support of L.D. 70.

This legislation reverses an unfair and harmful decision that capped cost-of-living increases for retirees in the teacher retirement plan, which includes teachers and superintendents, at just over \$24,000. It was adopted at the time to save money to balance the state budget.

It was unfair and disrespectful to our teachers and superintendents at the time and remains even more so today. The cost-of-living for our retired staff, many of whom are on fixed incomes, is going up.

This bill provides that cost-of-living increases for retired state employees and educators and their beneficiaries apply to a retiree's entire retirement benefit instead of only to the first \$24,186. That is fair and it is the right thing to do for those in the teaching profession, many of whom retired still making relatively low wages.